



Fiscal Year 2003 Reduction Strategy

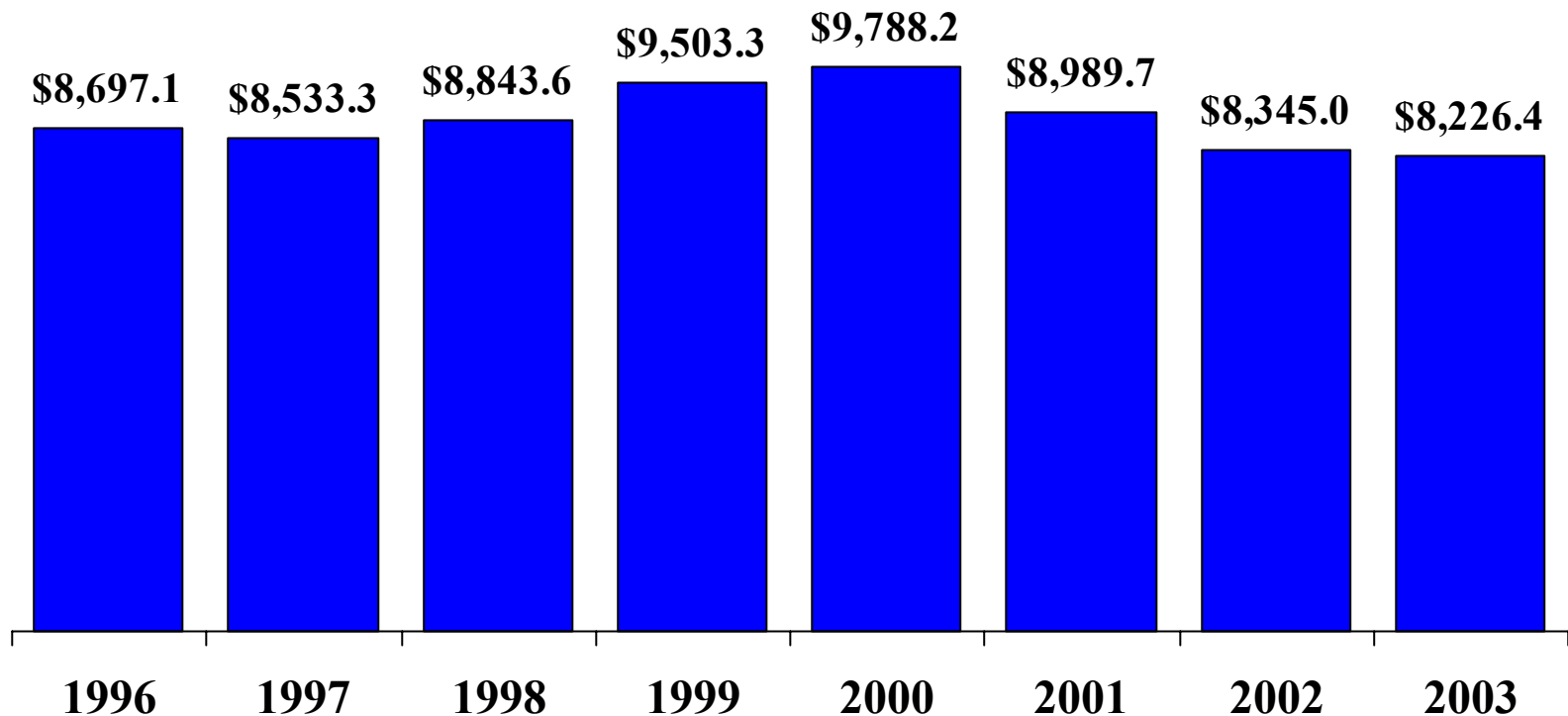
December 5, 2002

“The governor, with the approval of the appropriating committees of the house and senate, shall reduce expenditures authorized by appropriations whenever it appears that actual revenues for a fiscal period will fall below the revenue estimates on which appropriations for that period were based.”

– Art. V, Sec. 20, Michigan Constitution

General Fund Revenue in FY 03 Will be Lower than FY 96

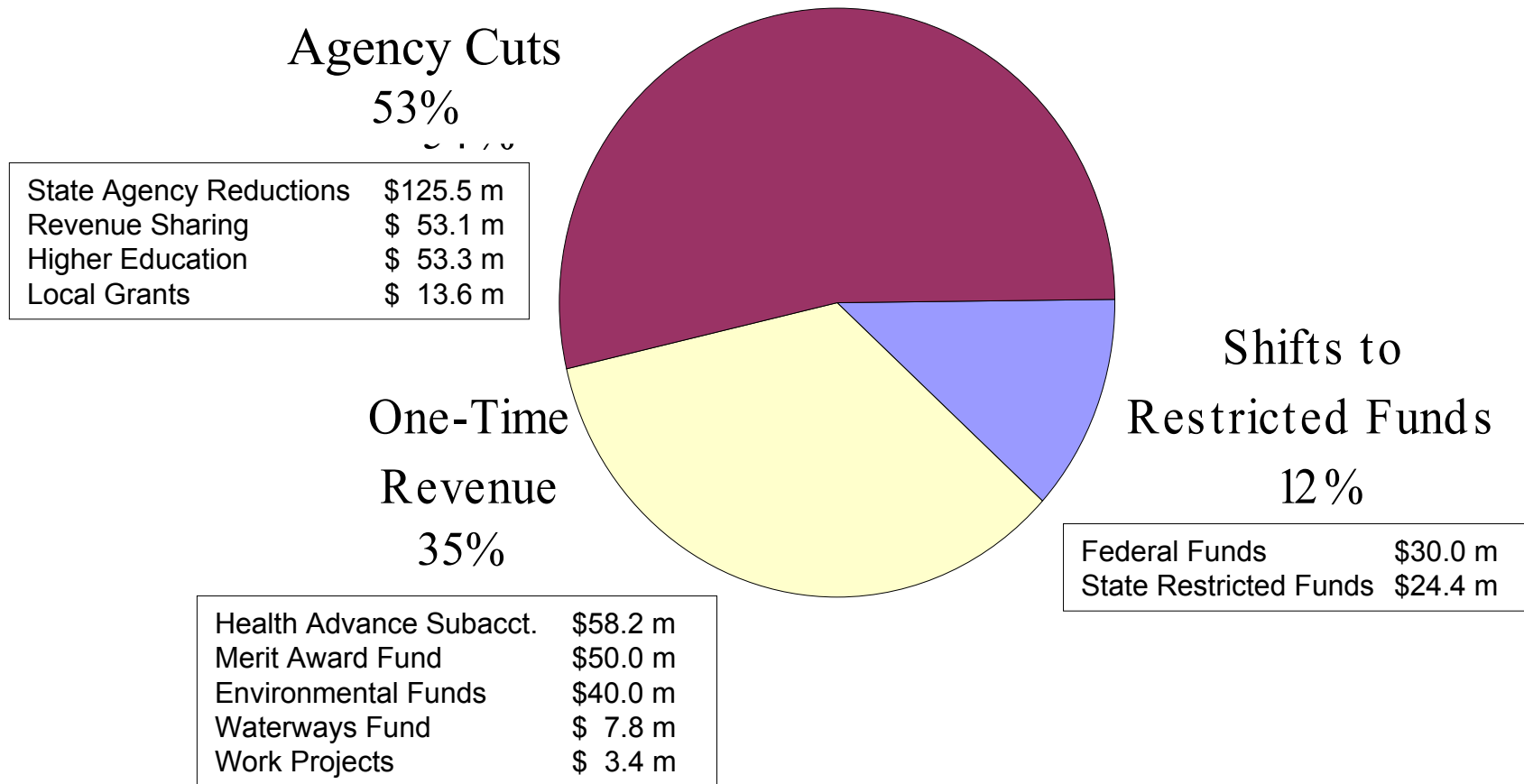
(millions)



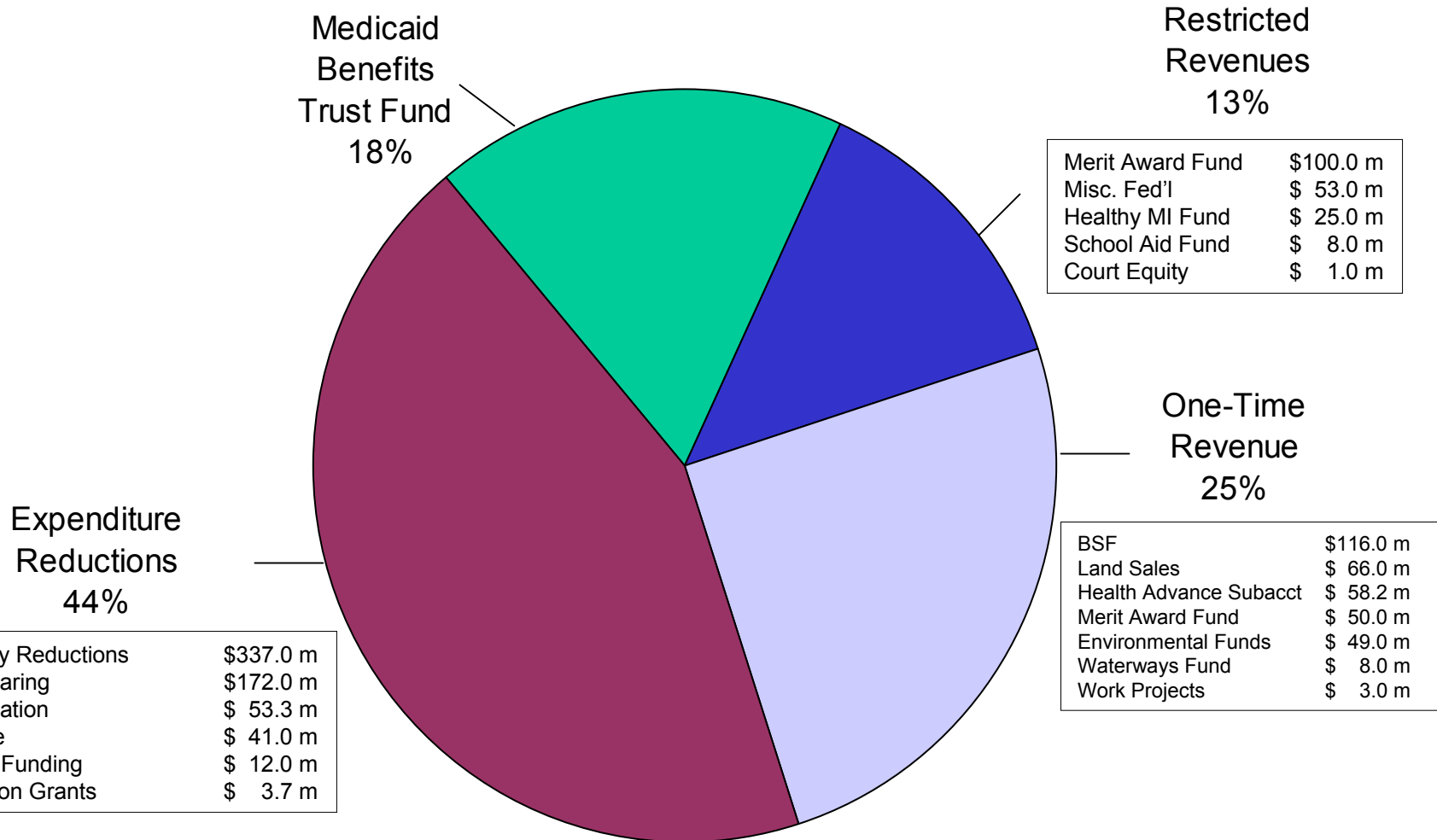
Note: Totals Exclude Transfers

Source: Office of Revenue and Tax Analysis, FY 2002 value is preliminary, FY 2003 is Administration Estimate

Executive Order 2002-22 and Related Actions



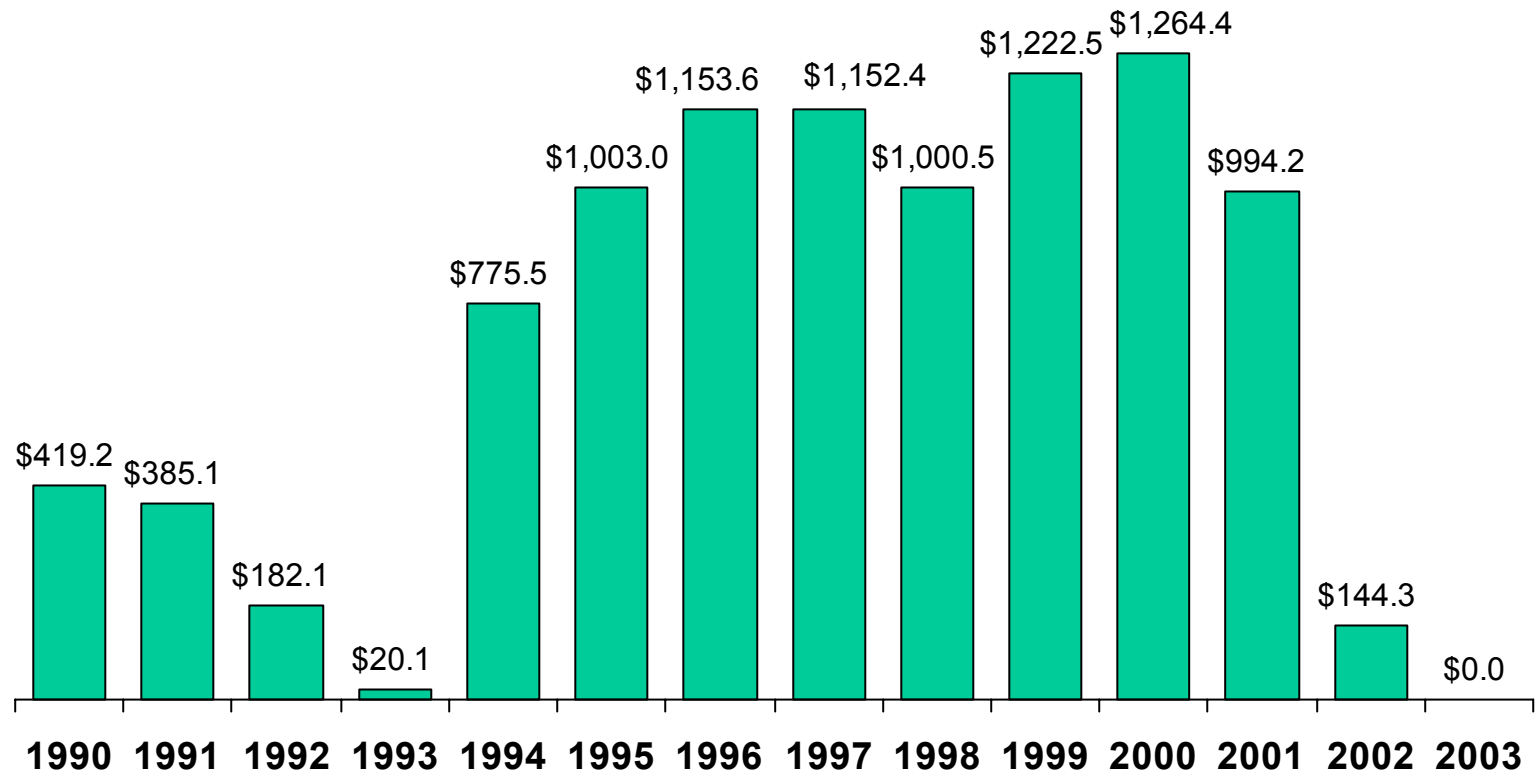
Fiscal Year 2003 Total Cumulative GF/GP Budget Solutions ^{1/}



¹ Includes Executive Order 2002-22

Budget Stabilization Fund

(Millions)



***2002 is Estimated**

Budget Stabilization Fund Activity

FY 2001 Actual Beginning Balance	\$1,264.4
Actual FY 2001 Activity:	
Interest Earnings- FY 2001	\$66.8
Durant Withdrawal	(\$32.0)
Build Michigan III Withdrawal	(\$35.0)
General Fund Withdrawal	(\$270.0)
FY 2002 Actual Beginning Balance	\$994.2
Projected FY 2002 Activity:	
Interest Earnings- FY 2002 (actual)	\$20.8
Durant Withdrawal	(\$32.0)
Build Michigan III Withdrawal	(\$35.0)
General Fund Withdrawal (PA 504 of 2002)	(\$335.0)
School Aid Fund Withdrawal (PA 504 of 2002)	(\$350.0)
Withdrawal as Needed to Balance FY 2002 General Fund (PA504 of 2002)	(\$118.7)
Projected FY2003 Beginning Balance	\$144.3
Projected FY 2003 Activity:	
Interest Earnings (estimate)	\$3.6
Durant Withdrawal	(\$32.0)
General Fund Withdrawal (PA 504 of 2002)	(\$115.9)
Projected FY 2003 Ending Balance	\$0.0

Medicaid Benefits Trust Fund

Deposits, Withdrawals, Balance*

	<u>Deposits</u>	<u>Withdrawals</u>	<u>Balance</u>
FY 2000	\$239	\$ 0	\$239
FY 2001	\$229	\$ 47	\$421
FY 2002	\$106	\$228	\$299
FY 2003	\$ 31	\$287	\$ 44

*In Millions